

Additional TANF MOE
(FY2022 Appropriation Act - Public Act 87 of 2021)

February 15, 2021

Sec. 274. (1) *The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices 1 week after the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2022 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:*

- (a) TANF.*
- (b) Title XX social services block grant.*
- (c) Title IV-B part I child welfare services block grant.*
- (d) Title IV-B part II promoting safe and stable families funds.*
- (e) Low-income home energy assistance program.*

(2) It is the intent of the legislature that the department, in collaboration with the state budget office, not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included as part of the budget submitted to the legislature by the governor for the ensuing fiscal year, unless there is a reasonable expectation for increased federal funding to be available to the department from that capped revenue source in the ensuing fiscal year.

(3) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify TANF maintenance of effort sources and rationale for any increases or decreases from all of the following, but not limited to:

- (a) Other departments.**
- (b) Local units of government.**
- (c) Private sources.**



Identification of Additional Temporary Assistance for Needy Families Maintenance of Effort Sources (FY2022 Appropriations Act – Public Act 87 of 2021)

Statewide Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) countable expenditures decreased by \$68.9 million, from \$562.2 million in Fiscal Year 2021 to \$493.3 million in Fiscal Year 2021. Total TANF MOE countable expenditures still comfortably exceeded the \$468.5 million TANF MOE requirement by \$24.8 million.

The Department of Health and Human Services' TANF MOE expenditures represented about 9% of total TANF MOE countable expenditures in FY 2021. The majority of TANF MOE spending occurs in other state departments.

Actual TANF MOE spending from other state departments totaled \$447.6 million, down from \$511 million in FY 2020, a \$63.4 million (12.4%) decrease.

Some spending categories decreased while others increased.

- Michigan Energy Assistance Program spending increased by \$2.8 million (46%). The number of eligible families decreased by 28% but the amount of assistance provided per family increased. Energy caps were increased from \$3,000 to \$4,000 in 2021 and the overall expenditure per household increased by about \$300.
- School Readiness (Section 32 of the School Aid Act) spending decreased by \$33.9 million (18%) due to a decrease in the number of eligible families served, from 35,226 in 2020 to 23,982 in 2021.
- At-Risk Program (Section 31a of the School Aid Act) spending decreased by \$20.0 million (8%). Instructional spending was down across-the-board due to an overall 6% drop in eligible students; non-instructional spending saw a decrease of 7% in eligible students.
- Earned Income Tax Credit (EITC) expenditures decreased by \$12.6 million (29%) because total filings with EITC greater than tax obligations were down 25% (233,343 for 2021 compared to 311,445 for 2020).